

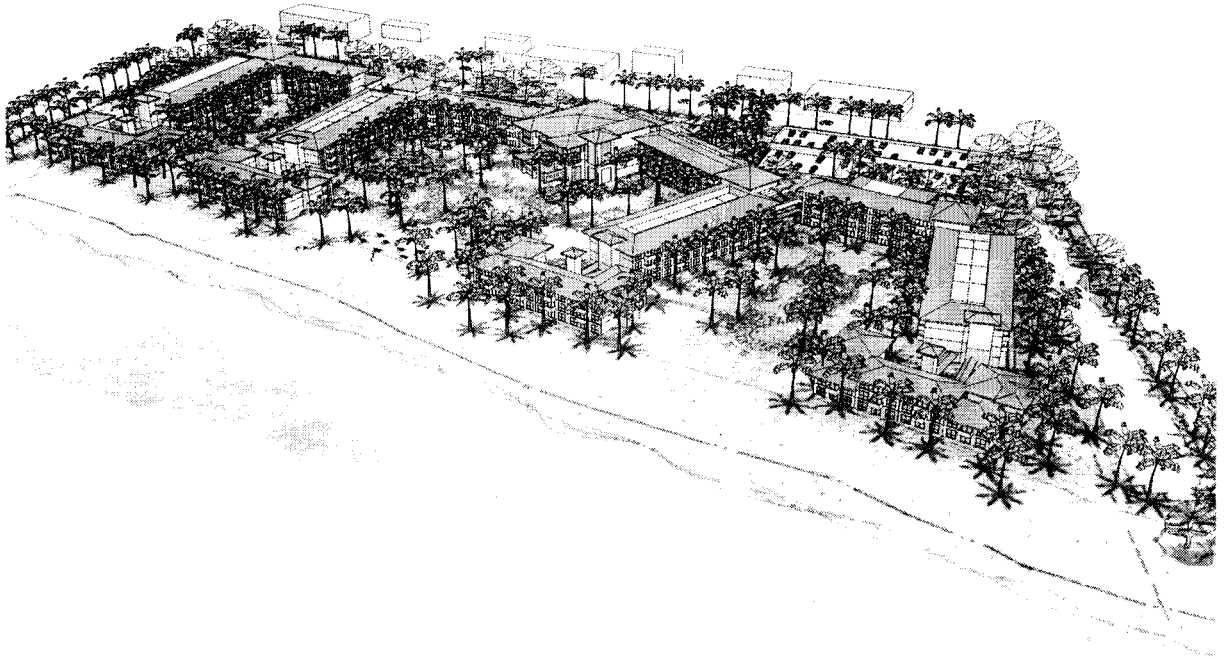
# **Exhibit**

# **22**

# COCONUT BEACH RESORT

Kapa'a - Wailua, Kauai

Hawaii



## ***Land***

The development site is the Wailua-Waipouli area just south of Kapa'a, on the eastern "Royal Coconut Coast" of the Garden Island of Kauai, approximately 8 miles north of Lihue, Kauai's business center and the location of Kauai's airport. Nearby are the Wailua River, Fern Grotto and Lydgate Park with the Wailua Golf Course, Nounou mountain (the Sleeping Giant), Mount Waialeale (one of the rainiest spots on earth averaging over 450 inches of rain annually) and a handful of shopping centers. The location of Kapa'a easily affords guests with accessibility to both the North and South coasts as well as the interior Waimea Canyon area, all three of which are major attractions for visitors to Kauai. Kauai is considered one of the most beautiful Hawaiian Islands and is Hawaii's oldest and most verdant island.

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The eastern boundary of the site is the Pacific Ocean with more than 1,450 feet of beach frontage. A Marriott resort hotel is located on the north side of the land, the Kauai Coast Resort (a fully sold out Wyndham timeshare condo project) is to the south and Aleka Loop, a private street, is on the west side of the land. The site is located within walking distance of numerous amenities, restaurants and services at three shopping centers.

The majority of the subject site (approximately 17.3 acres) has been zoned by the County of Kauai as a Resort District (RR-20), allowing the construction of a maximum of 346 condominium units. The project was fully entitled as of October 2012 following a nearly 7 ½ year permitting process. Ownership submitted applications for a site-wide grading permit and a building permit for the first of its condo buildings on October 17, 2014 in accordance with its entitlements.

### ***Development plan***

The proposed Resort has been planned to incorporate the latest high standards of architecture, amenities, and internal design and fitting-out appropriate for a purpose-built hospitality-branded timeshare development. Interval Leisure Group (“ILG”) purchased the Hyatt Residential Group (“Hyatt”) from Hyatt Hotels Corp. on October 1 and ILG became the long-term, exclusive world-wide licensee of the Hyatt. Hyatt’s entire management team joined ILG. ILG will invest \$6 million in non-equity “key money” in the latter stages of the development process, will handle timeshare sales, marketing and operations and assist in the resort’s development. The quality of the Resort’s interior finish levels will exceed that of a Marriott, Hilton or Westin timeshare resort.

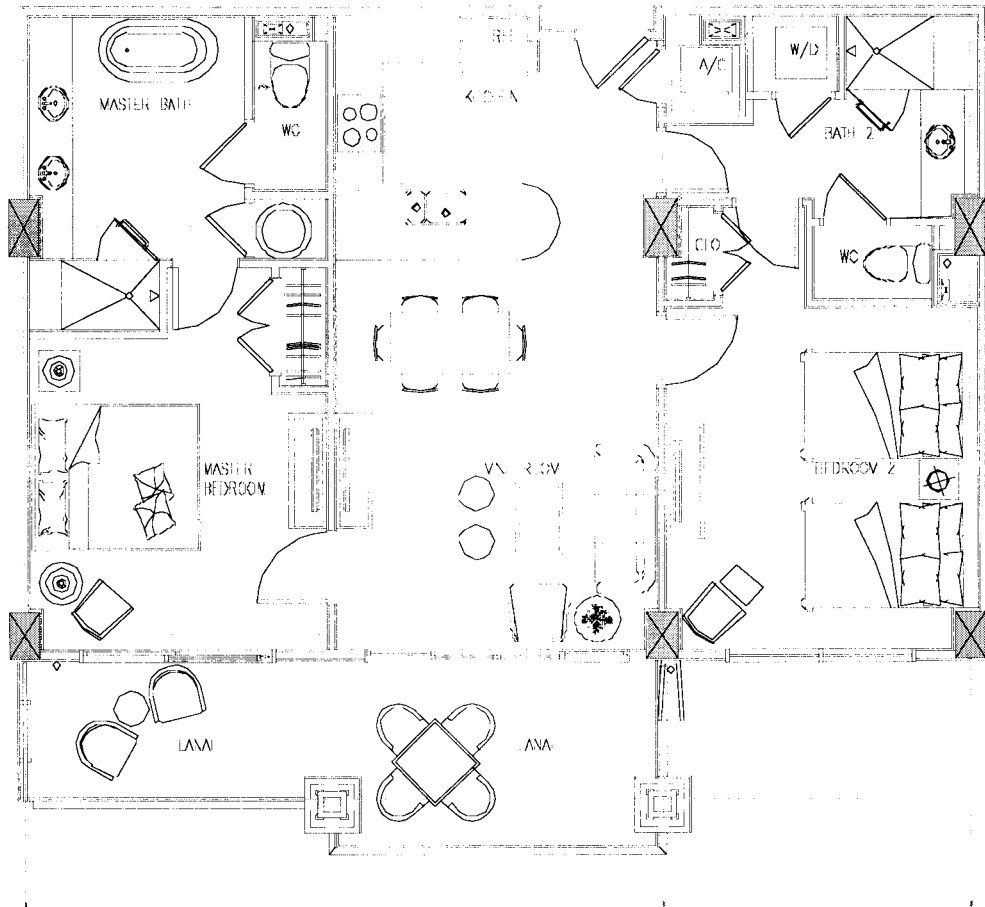


The development plan provides for the construction of 6 hotel rooms plus a total of 326, one two and three bedroom condominium units in a single phase. Note that buildings

will be separately permitted allowing for opening the property before all construction activities cease. The resort includes a 3 story, approximately 47,650 SF main building that has space for office, support and other back-of-house functions, guest reception and lobby areas, an exercise room, owner's lounge and indoor-outdoor restaurant and lounge. The Resort will feature three, free form, themed pools. The main pool will have a sand feature that extends toward the ocean, a lazy river and water slide, and a building housing a bar-grill and restrooms. A modest activity center for children will be included in a condo building adjoining the resort's children's pool in the southern courtyard while an adult pool will be built in the northern courtyard.

The project will have 67 one bedroom, 12 three bedroom and 247 two bedroom condominiums, and all will include an outdoor terrace. Living area floors will be hard surfaced (tile or wood depending on area) with area rugs, and carpet in the sleeping areas, granite counter and vanity tops and stone-like porcelain tile clad bathrooms. All units will be completely furnished and equipped including dishes, cookware, silver and glassware, plus the amenities of a luxurious resort hotel.

The unit layout has been determined in order to maximize the availability of living space, creating an open-plan "great room", incorporating living, dining, and kitchen facilities, with a flow through to the large lanai (terrace) area.



The site plan has been designed in order to maximize the number of condominium units having at least a partial ocean view. Based upon an updated site plan, the proportion of condominiums having each of four view categories is approximately as follows:

Garden and mountain views	24%
Partial ocean views	38%
Full ocean views	24%
Oceanfront views	14%

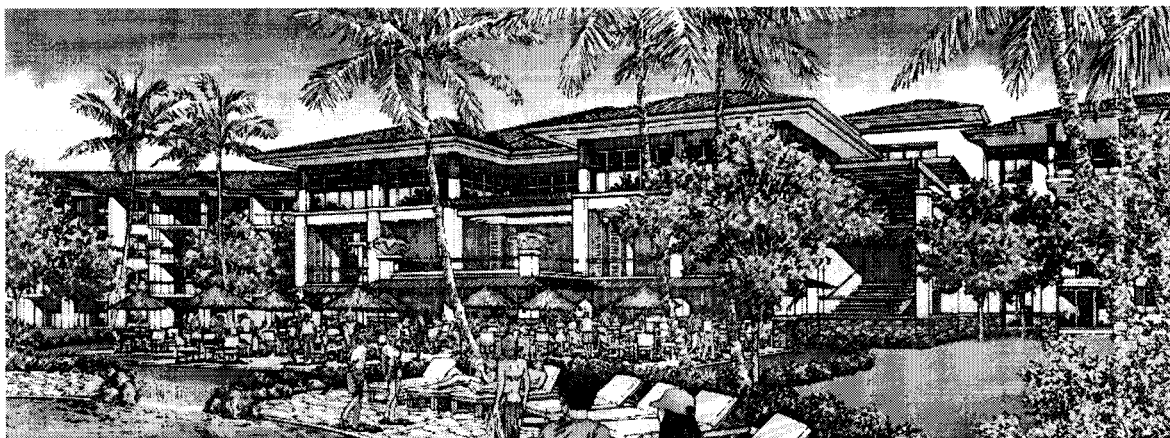
***Current Status & Project timing***

SPD II Makaiwa Resort Development LLC (the “JV”), a joint venture of Symmetry Property Development II and Makaiwa Resort Company (owned by SHMD’s principals) is under contract to purchase the land and entitlements from CBD for \$12 million, a significant discount from CBD’s \$29 MM investment. The JV has retained a team of architects and engineers that completed a revised Schematic Design of the resort in August 2014.

On October 17, 2014 the JV’s design team delivered an application for a property-wide grading and drainage permit and a building permit for the first of the resort’s condo buildings, thus perfecting the project’s entitlements. Review/approval of the permit applications and the design is on going. Current estimates of the timing for commencement and completion of the various key project stages are as follows:

<b>Key project stage</b>	<b>Date of commencement</b>	<b>Date of completion</b>
Pre-construction design & engineering, permitting & construction mobilization	March 2012	April 2015
Timeshare & condo plan registration	February 2015	March 2016
Construction including all site work	April 2015	October 2017
Opening of partially completed resort		December 2016





### ***Hawaii's Timeshare Market***

The market for CBD's weekly intervals is strong today and could very well be stronger a couple of years hence when we would begin pre-opening timeshare sales. Inventory at competitive timeshare projects on Kauai at Princeville and Kauai Lagoons near Lihue is dwindling and our resort will go into sales at an almost perfect time. Timeshare is being developed at as fast a rate as it has ever been in Hawaii:

#### **ON KAUAI:**

- Starwood's Westin Princeville Ocean Resort consists of 173, 2 bedroom-2 bath, lock-off condos. The resort opened in 2008 and is effectively sold out. Current pricing for a 2 bedroom unit is \$57,500 per week for an annual stay during any week except Christmas and New Years (price is \$65,500 if the buyer wants access to the Christmas & New Years weeks). The project is located atop a bluff and has no beach access. Princeville is a well established, golf centered resort on Kauai's north shore nearly an hour's drive from the Lihue airport and over 90 minutes drive time from Poipu on Kauai's south shore. Princeville's weather is often rainy, as is the norm on the northern parts of all of Hawaii's islands.

- Marriott's Kauai Lagoons Vacation Club consists of 75, 2 bedroom-2 bath condos, 25 of which are in a completed "shell building" and are thus considered the project's second phase; Marriott will finish and furnish these units when needed. The property opened in mid 2010 and is priced at \$59,000 per week for an annual stay. Sales have slowed to about 700 weeks per year due to the adoption of Marriott's system-wide pure points based program in middle 2011. Under its points system, Marriott no longer offers a home resort preference to buyers, meaning Marriott will not guarantee that a buyer can book a stay at a Hawaiian resort. The majority of Hawaii interval buyers are paying up to ensure that they can vacation in Hawaii each year if they elect to and this program has dampened Marriott's sales. The project is located on a cliff overlooking the ocean and has no beach access. The Kauai Lagoons Resort includes 27 holes of golf and lies under the glide path leading to the Lihue Airport.

- Welk Resorts of Escondido, California purchased a development parcel on the inland side of Poipu Road across Kiahuna Plantation Drive from the Poipu Shopping Village. Welk will



develop 164 condos, most of which will be 2 bedroom 2 bath units. The development will take place in several phases on the 21.5 acre parcel, which is nearly ½ mile from the nearest beach. Construction on the first phase is expected to begin in mid 2016. Annual weekly intervals in a 2bedroom-2 bath condos are expected to be in the \$50,000 range.

#### **ON OAHU:**

- In early 2015 Hilton Grand Vacations will begin construction of another approximately 300 condo, timeshare tower at Waikiki's Hilton Hawaiian Village. This tower is expected to come on stream in late 2016, shortly after Hilton's 331 unit Grand Waikikian Tower is sold out – the Grand Waikikian opened in 2008. Hilton's selling 2 bedroom-2 bath Hawaiian Village intervals for prices that average in the middle \$60,000s, with sales in excess of 2,200 weeks annually. Buyers have access to the many recreational, shopping and dining amenities of the 22 acre Hawaiian Village.

In late 2013 Hilton opened the 143 unit Hokulani at Lewers Street and Kalakaua Ave. in Waikiki, a conversion of the 290 room Islander Waikiki Hotel. All units in this project are 575 SF studio condos with mini kitchens. While a few of the units have ocean views, Hilton is marketing this as an urban timeshare in Waikiki and weekly intervals are priced in the middle-upper \$30,000s with a projected 3 year sell-out period.

- Disney opened the first 200 condos at its Aulani timeshare resort at Ko Olina on Oahu's west coast in August 2011 and planned to complete its second phase in 2015. (The second phase is a 225 unit, high rise "shell building" that was constructed during the initial development period.) However, sales were so strong Disney began finishing and furnishing the units within the shell in mid 2012 and opened the new tower and some added recreational amenities in fall 2013. Pricing for a 2 bedroom-2 bath condo averages in the lower to middle \$50,000s and sales have exceeded 3,300 intervals per year. Aulani's Ko Olina location is some 45 to 60 minutes driving time from the Ala Moana-Waikiki tourist area of Honolulu, which is considered a disadvantage. However Disney's name and the resort's extensive amenity package have resulted in an exceptionally brisk sales pace.

- The owners of the Turtle Bay Resort on the North Shore of Oahu are planning to develop up to 375 timeshare condos in a JV with Replay Resorts, which was founded by four former senior executives of Intrawest. Several local groups and the hotel-restaurant workers union have filed suits seeking to block the development; the local groups want no added development at the Turtle Bay Resort while the union wants the owners to build transient hotels rather than timeshare condos. There's no timetable for resolution of the legal challenges. Turtle Bay is an hour or more driving time from Ala Moana and Waikiki detracting from its popularity. And being on a north shore Turtle Bay's weather is often windy and rainy.

#### **ON MAUI:**

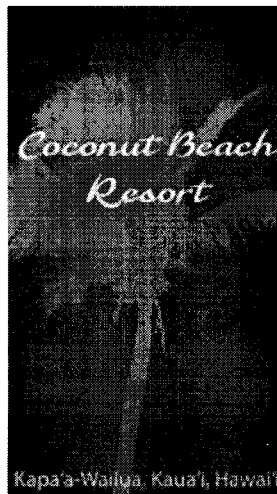
- A joint venture of Host Hotels & Resorts and Hyatt Residential Group has begun development of a 131 unit timeshare resort adjoining the Hyatt Regency at Kaanapali Beach on Maui. Construction of the single loaded, 12 story tower began in Spring 2013 with an expected 2 year build-out. Pre-opening sales began on October 6, 2013 and results have been substantially ahead of plan for the first 180 days with 2 bedroom-2 bath annual intervals priced in the middle \$70,000s. The resort will open on December 15, 2014. Hyatt's anticipates that the project will experience a sell-out in late 2017 to mid 2018. Hyatt's Maui units have direct access to

Kaanapali Beach and owners can access the recreational, shopping and food/beverage outlets of the adjacent 821 room resort hotel.

- The mainland investment group that owned the Maui Lu Hotel in Kihei sold the 27 acre site with its entitlements to develop up to 388 timeshare condos. A joint venture of Capbridge Group, a Tokyo investment firm, and Hilton Grand Vacations has purchased the property and will develop the site. Kihei is a down-market location on Maui and 2 bedroom-2 bath units would likely sell in the lower to middle \$50,000s if the project is developed. The site is on the inland side of South Kihei Road and includes beach access via a sliver of land on the ocean side of the street. The development site is 10 to 12 minutes driving time from the very upscale Wailea Resort.

#### **ON HAWAII'S BIG ISLAND:**

- Hilton opened another 98 units at its Waikoloa resort on the Big Island in December 2012. These units are 10% smaller than the 1,000 SF 2 bedroom-2 bath units in the first phases of the Kings Land vacation club and are priced in the middle \$40,000s with sales of more than 1,300 intervals per year. Hilton's timeshare resort parcels are inland at the Waikoloa Resort, meaning guests are more than ¼ mile from the ocean though many units have golf course views. Guests have access to Waikoloa's golf courses and can use the facilities of the Hilton Waikoloa Village Hotel.



## Hyatt Coconut Beach Resort - Kauai

### Summarized Capitalization

#### Capital Sources

EB-5 Based Mezzanine loan	109,500,000
Construction loan	192,000,000
Key money from Hyatt-Interval Leisure Group	6,000,000
Sponsor's equity - Symmetry <sup>®</sup> Property Development II	11,000,000
Equity - New investor	<u>20,000,000</u>
<b>TOTAL SOURCES OF CAPITAL</b>	<b>338,500,000</b>

#### Capital Uses

Land purchase	12,000,000
Development costs - hard and soft	259,870,000
Capitalized interest reserve	12,000,000
EB-5 related costs and interest reserve	16,972,500
Return of partner's prior investment, COST reimbursements & payment for entitlements	13,050,400
Construction loan fees, discount and reserve for legal fees/closing costs	3,840,000
Cash reserved for construction loan credit enhancement	10,000,000
Reserve for construction wrap insurance, placement fees, land closing costs & rounding	<u>10,767,100</u>
<b>TOTAL USES OF CAPITAL</b>	<b>338,500,000</b>

**Priority Equity Return**

		2015	2016	2017
Cumulative Preferred Return Due	12.00%	2,400,000	2,688,000	2,688,000
Cumulative Preferred Return - paid		-	2,688,000	2,688,000
Equity returned (invested)		-20,000,000	-	-
Participation in Excess Cash Flow		-	-	-
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<b>Cash flow paid during the year</b>		-20,000,000	2,688,000	2,688,000
<b>Cumulative Return</b>		-22,400,000	-22,400,000	-22,400,000

**Priority Equity Return**

		2018	2019	2020
Cumulative Preferred Return Due	12.00%	2,688,000	2,688,000	1,635,059
Cumulative Preferred Return - paid		2,688,000	2,688,000	1,635,059
Equity returned (invested)		-	8,774,508	13,625,492
Participation in Excess Cash Flow		-	0	10,051,648
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<b>Cash flow paid during the year</b>		2,688,000	11,462,508	25,312,199
<b>Cumulative Return</b>		-22,400,000	-13,625,492	10,051,648
<b>Internal Rate of Return</b>		<b>22.05%</b>		